

**Chair, Senator Holly J. Mitchell**  
**Senator Jeff Stone, Pharm. D.**  
**Senator William W. Monning**



**May 7, 2015**  
**9:30 a.m. or upon adjournment of Floor Session**  
**John L. Burton Hearing Room 4203**

**PART A**

Staff: Peggy Collins

**4300 Department of Developmental Services (DDS)**

**Community Services**

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**PLEASE NOTE:** Only those items contained in this agenda will be discussed at this hearing. Please see the Senate Daily File for dates and times of subsequent hearings. Issues will be discussed in the order as noted in the agenda unless otherwise directed by the Chair.

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## 4300 DEPARTMENT OF DEVELOPMENTAL SERVICES (DDS)

### COMMUNITY SERVICES

#### ISSUE 1: FEDERAL OVERTIME CHANGES – BUDGET REQUEST

John Doyle, Chief Deputy Director, DDS  
Tom Heinz, Executive Director, Eastbay Innovations  
Shawn Martin, Legislative Analyst's Office

**Background:** In September 2013, the United States Department of Labor made regulatory changes to federal Fair Labor Standards Act (FLSA) by revising the definition of “companionship services” and requiring overtime compensation for service providers previously exempt. Among the services purchased by regional centers, supported living programs, in-home respite programs, and personal assistance services would have been impacted by this change. The 2014 Budget Act provided a 5.82 percent rate increase, at a cost of \$9.5 million (\$5.2 million GF), to in-home respite services, supported living services and personal assistants, and trailer bill language, to reflect the cost of complying with Federal Labor Standards Act change.

On December 31, 2014, a federal district court delayed implementation of the revised definition of “companionship services” and on January 14, 2015, the court vacated the revised definition. The U.S. Department of Labor appeal of this ruling will be heard on May 7, 2015. Pending an outcome of that appeal, DDS rescinded the rate increase and has recouped the funds appropriated for this purpose that were previously allocated to the regional centers.

The FLSA issue had a corresponding impact on in-home supportive services (IHSS) workers. However, unlike the solution adopted for DDS-funded services, the IHSS solution included both funding for overtime costs and a limitation on the amount of overtime that could be worked by an IHSS provider. Implementation of the IHSS changes associated with the FLSA issue has also been delayed.

Should the U.S. Department of Labor decision be upheld in appeal, the state changes to the IHSS and DDS-funded services will be implemented. The state could also choose to move forward with the changes approved last year, without reference to direction provided by the FLSA regulations. However, concerns have been raised since the passage of the 2014 budget that for regional center consumers who rely on both IHSS and a regional center-funded service, most notably supported living services (SLS), that utilize the same worker, implementation may be particularly complex. Specifically, there is ongoing concern that the overtime rule may apply accumulatively for workers who are employed as both an IHSS provider and SLS provider (otherwise referred to as the “dual employer” issue). Additionally, because state law requires regional centers to utilize generic services prior to purchasing DDS-funded services, the cap on allowable hours for IHSS recipients, along with the cap on allowable overtime for IHSS providers, will likely push significant overtime costs onto the DDS-funded SLS system, where there is no statutory cap on recipient hours or cap on allowable overtime for SLS providers.

**Governor's Budget:** The Governor's budget proposes to increase current year funding related to the implementation of the FLSA overtime regulations by \$3.7 million (\$1.9 million GF). In the budget year, the Governor proposes \$24.4 million (\$13.1 million GF) to reflect the full year implementation of this policy. However, as noted early, implementation has been delayed pending the outcome of a federal court hearing.

**Legislative Analyst's Office (LAO) Recommendation:** The LAO makes two recommendations regarding the DDS budget related to the FLSA issue:

- If the Legislature is concerned about the possibility DDS could spend some or all of the 2014-15 funding appropriated for FLSA-related costs on other purposes, the Legislature would want to enact legislation specifically reverting these funds so that they would be available for any legislative priority.
- The Legislature should wait until the May Revision before making a decision related to the 2015-16 FLSA-related appropriations DDS, at which time, we may know the outcome of the Department of Labor appeal.

*Question for Mr. Heinz:*

- *Please describe your concerns about the implementation of the overtime rule for supported living service providers and consumers.*

*Question for LAO:*

- *Please describe your recommendation.*

*Questions for DDS:*

- *Please discuss your perspective on the "dual employer" issue that has been raised by supported living providers.*
- *Please confirm that the funding provided through the 2014 Budget Act related to the FLSA issue has been recouped from regional centers and will not be utilized for any other purpose without express Legislative approval.*
- *Has the Administration considered whether it would be simpler, safer, and more successful to consumers' outcomes, to allow supported living services to provide the entire complement of required attendant services, rather than requiring regional center consumers to first use IHSS services?*

**Staff Comments and Recommendation:** Hold open pending the May Revision.

**PUBLIC TESTIMONY**

## DEVELOPMENTAL CENTERS

### ISSUE 1: BACKGROUND AND GOVERNOR'S BUDGET OVERVIEW- INFORMATIONAL

**Background:** DDS operates three state institutions, known as developmental centers (DCs), and one smaller state-leased and operated community facility, that care for adults and children with developmental disabilities.

California has served persons with developmental disabilities in state-owned and operated institutions since 1888. At its peak, the developmental center system included eight facilities and housed over 13,400 individuals in seven facilities. As the state developed a network of community-based services and supports, placements in state developmental centers declined. Since 1995, the state has closed four developmental centers: Stockton Development Center in 1995; Camarillo State Hospital, which served both persons with developmental disabilities and persons with mental illness, in 1997; Agnews Developmental Center in 2009, and Lanterman Developmental Center in 2014. A second state-leased and operated community facility, Sierra Vista, was closed in 2009.

Of the three remaining developmental centers, the oldest is Sonoma Developmental Center (1891) and the youngest is Fairview Developmental Center (1959). Canyon Springs Community Facility, a state-leased and operated community facility, was opened in 2000. The following chart shows the population at each facility, based on the April 29, 2015 census report.

Facility	Location	Year Opened	Population as of 4/29/15
Fairview Developmental Center	Costa Mesa	1959	279
Porterville Developmental Center	Porterville	1953	366 <sup>1</sup>
Sonoma Developmental Center	Eldridge	1891	405
Canyon Springs Community Facility	Cathedral City	2000	47

The decline in developmental center use is consistent with the development of a community-based network of services and supports that promote successful integrated living in California communities and reflects national trends that support reduced reliance on institutions and greater

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<sup>1</sup> 166 residents in the Secure Treatment Program (STP); 200 residents outside the STP.

support for community-based integrated services, directed in part by changes in state and federal law, and multiple court cases, including the United States Supreme Court's 1999 decision in *Olmstead v. L.C., et al.*<sup>2</sup>

Numerous changes to the regional center planning and service development process have further reduced use of developmental centers. Person-centered planning has resulted in more appropriate and successful community-based services and supports for individuals who utilize regional center services. Additionally, regional centers use an annual community planning and placement (CPP) allocation, \$67.8 million (total funds) proposed in the budget year, to develop community-based services and supports for individuals moving out of a developmental center, and to deflect new placements into developmental centers. The Governor's budget projects an average in-center population of 1,010 in the budget year, a reduction of 106 over the average in-center population in the enacted current year budget. The budget estimates the total developmental center population on June 30, 2016 will be 951.

Statutory changes, adopted as part of the 2012-13 state budget, AB 89 (Committee on Budget), Chapter 25, Statutes of 2012, restricted new developmental center admissions, except under specified conditions, including commitments under the state's Incompetent to Stand Trial statute. Additionally, individuals who are in crisis can be placed temporarily at the Fairview Developmental Center or Sonoma Developmental Center.

The declining DC population, its aging infrastructure, and fixed costs has led to increasingly high per resident costs associated with maintaining this model of residential care. Based on the Governor's budget figures, the average per capita cost of services provided to a resident in a developmental center in the current year is \$504,391 annually (total funds). In the budget year, that cost rises to \$510,099 annually. By comparison, the average per capita cost of a person receiving community-based services in the current year is \$19,900 annually (total funds; excluding the Early Start Program). In the budget year, the cost rises to \$20,403 annually.

Current Year Budget Adjustment: The Governor's budget proposes to update the current year budget for the DCs to \$562.9 million (\$309.6 million GF), a net increase of \$34.7 million (\$33.6 million GF) in the current year, to serve 1,116 residents, an increase of four residents over the enacted budget. The budget proposes to increase the current year staff level by 220 positions. The Administration indicates that these adjustments will be updated in the May Revision. The Administration intends to pursue funding for the current year unanticipated costs through a supplemental appropriations bill.

Budget Year Proposal: The January budget proposes an appropriation of \$515.2 million (\$279.8 million GF) to serve an estimated average in-center population of 1,010 residents in 2015-16. Compared with last year's enacted budget, this reflects an anticipated decline of 102 residents; and an overall net decrease of \$12.9 million in total funding, but an increase of \$3.8 million GF. The budget proposes to decrease positions by 410.9 over the adjusted current year.

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<sup>2</sup> See page 7 of the agenda.

*Question for DDS:*

*Please present a brief overview of the Governor's budget for developmental centers.*

**Staff Comments and Recommendation:** This is an informational issue. No action is required.

## **ISSUE 2: FUTURE OF DEVELOPMENTAL CENTERS – OVERSIGHT ISSUE**

### **PANEL:**

Michael Wilkening, Undersecretary, Health and Human Services Agency

Santi Rogers, Director, DDS

Shawn Martin, Legislative Analyst

Kathleen Miller, President, Parent Hospital Association for Sonoma Developmental Center

Terry DeBell, President, CASHPCR

Dion Aroner, former Assembly Member; Partner, AJE Partners

Catherine Blakemore, Executive Director, Disability Rights California

Jacque Foss, CEO, S.T.E.P. Agency

**Secretary Dooley's Plan for the Future of Developmental Centers in California.** On January 13, 2014, the Secretary of the California Health and Human Services Agency released her "*Plan for the Future of Developmental Centers in California*" (plan). The plan was developed pursuant to trailer bill language that required the Secretary to submit to the Legislature a master plan for the future of DCs. The plan was developed in consultation with a task force comprised of a broad cross-section of system stakeholders, including individuals with developmental disabilities, family members, regional center directors, consumer rights advocates, labor representatives, legislative representatives, and DDS staff.

The secretary's plan discusses numerous changes in federal and state law and various court rulings that have served to move California and other states away from institutional care in favor of community-based services and supports.

These include:

- *Association for Retarded Citizens v. Department of Developmental Services (1985)*, 38 Cal.3d 384 (ARC), in which the court interpreted the Lanterman Act as creating an "entitlement" to services that enables each person with intellectual and developmental disabilities to live a more independent and productive life in the community.
- *Americans with Disabilities Act*, 42 U.S.C. sec. 12100, et seq. (ADA). In 1990, the ADA was enacted to prohibit discrimination on the basis of disability in the provision of government programs and services.

- *Coffelt v. Department of Developmental Services (1990) (Coffelt)*. The Coffelt class action lawsuit alleged unnecessary placements of persons in DCs who could live in the community. The case was settled in 1994 resulting in more than 2,000 DC residents moving into the community over five years, and other system reforms.
- *Olmstead v. L.C. (1999), 527 U.S. 581 (Olmstead)*. In *Olmstead*, the United States Supreme Court held that discrimination under the ADA includes unnecessary institutionalization of people with disabilities who can live in the community.
- *Capitol People First v. Department of Developmental Services (2001) (CPF)*. The CPF class action lawsuit alleged unnecessary segregation of Californians with developmental disabilities in large congregate public and private institutions. The lawsuit was settled in 2009, resulting in a greater focus on development of community resources, DC residents and families being provided information on community living options, and regional center resources to work with the DC residents and families.
- *AB 1472 (Committee on Budget), Chapter 25, Statutes of 2012*. With ongoing budget constraints and many challenges facing the DCs, significant new policy limiting DC admissions and the use of institutional care in the community was enacted in the trailer bill to the 2012-13 budget. Among other provisions, a moratorium was placed on DC admissions, with only limited exceptions for individuals involved with the criminal justice system or in acute crisis; comprehensive assessments were required for all DC residents to determine if community services are available to meet their needs; a new model of care was authorized that would allow for secured perimeters with delayed egress in a community home; and resources were prioritized to reduce state and local institutionalization.

As the secretary states in her plan, “Today, state and federal laws and court decisions clearly favor community integration over institutional care, defined nationally as congregate facilities with a capacity of 16 residents or more. Throughout the United States the population of persons with developmental disabilities receiving services in large settings of 16 or more has dramatically decreased. In 1977, this population represented 83.7 percent of the total number served. In 2007, 30 years later, it represented 14.3 percent. Thirteen states and the District of Columbia have no large state-operated institutions, while many other states have active plans for closure of some, if not all, of their large facilities. In California, the Lanterman Act entitlement to services ensures that an individual will receive appropriate services with any transition out of a large state-operated facility.”

While the plan did not provide a time-specific roadmap for transitioning away from the developmental center model in California, it did put forth six consensus recommendations to develop the community resources necessary to serve individuals with enduring and complex medical needs and/or challenging behaviors and support needs, like those currently living in a developmental center. These recommendations are:

1. *More community style homes/facilities should be developed to serve individuals with enduring and complex medical needs using existing models of care.*



2. *For individuals with challenging behaviors and support needs, the State should operate at least two acute crisis facilities (like the program at Fairview DC), and small transitional facilities. The State should develop a new "Senate Bill (SB) 962 like" model that would provide a higher level of behavioral services. Funding should be made available so that regional centers can expand mobile crisis response teams, crisis hotlines, day programs, short-term crisis homes, new-model behavioral homes, and supported living services for those transitioning to their own homes.*
3. *For individuals who have been involved in the criminal justice system, the State should continue to operate the Porterville DC-STP and the transitional program at Canyon Springs Community Facility. Alternatives to the Porterville DC-STP should also be explored.*
4. *The development of a workable health resource center model should be explored, to address the complex health needs of DC residents who transition to community homes.*
5. *The State should enter into public/private partnerships to provide integrated community services on existing State lands, where appropriate. Also, consideration should be given to repurposing existing buildings on DC property for developing service models identified in Recommendations 1 through 4.*
6. *Another task force should be convened to address how to make the community system stronger.*

**Certification Challenges.** In January 2013, four out of 10 intermediate care facility (ICF) units at Sonoma Developmental Center (SDC) were withdrawn from federal certification by DDS, in response to notice that the federal government was moving to decertify the larger group of ICF units at the facility. These actions came on the heels of widely reported revelations of multiple instances of abuse, neglect, and other lapses in caregiving at the institution.

In March 2013, DDS entered into a Program Improvement Plan (PIP) agreement with the state Department of Public Health (DPH), which was accepted by the federal Centers for Medicare and Medicaid Services. As a condition of the PIP, DDS contracted with an outside consultant to conduct a root cause analysis of the problems at SDC, and develop an action plan to ensure SDC is in compliance with federal and state licensing and certification requirements.

On October 31, 2013, the DPH accepted the SDC action plan which included the opening of a new ICF unit, 118.5 new staff positions, three new wheelchair transport vehicles, and extensive staff training. The Administration assumed these corrective actions would result in the restoration of certification and federal funding by July 1, 2014. However, this did not occur. Rather, a survey of the seven certified ICF units at SDC occurred May of 2014, and these units were found to be out-of-compliance in four out of eight conditions, resulting in their decertification. However, CMS has extended the date on which federal funding for these units will be withdrawn several times, while they have been engaged in active conversation with the

Administration. As of April 1, 2015, the date for federal funding withdrawal is now May 7, 2015.

Following the SDC loss of federal certification, DPH conducted surveys at Fairview (FDC), Porterville (PDC), and Lanterman (LDC) developmental centers and found ICF units at each facility to be out of compliance with federal requirements. Like SDC, areas of non-compliance include treatment plans, protection of residents, client health and safety, and client rights. In January 2014, DDS and DPH reached an agreement to avoid decertification at these three facilities. The agreement requires the development of a root-cause analysis and action plan for PDC and FDC, similar to what was required at SDC. For LDC, the agreement required DDS to contract with an independent monitor to provide oversight, among other requirements.

FDC was resurveyed in February of 2015 and PDC was resurveyed last month. Although the outcome of these resurveys is not yet known, early indications are that PDC may be found to still be out of compliance in four of the eight conditions of participation.

The loss, or risk of loss, of federal certification has cost the state General Fund in two ways: General Fund augmentations to backfill for the lost federal dollars; and, General Fund augmentations to implement the program improvement plans intended to result in recertification and restoration of federal funding. The chart below outlines these General Fund costs.

	FY 2012-13		FY 2013-14		FY 2014-15		FY 2015-16	
	GF Backfill	PIP	GF Backfill	PIP	GF Backfill	PIP	GF Backfill	PIP
Fairview	\$0	\$0	\$0	\$1,104	\$0	\$4,008	\$32,400	\$3,459
Lanterman	\$0	\$0	\$0	\$54	\$0	\$140	\$0	\$0
Porterville	\$0	\$0	\$0	\$979	\$0	\$4,776	\$27,600	\$3,027
Sonoma	\$7,400	\$0	\$15,707	\$3,528	\$8,800	\$5,122	\$44,400	\$0
<b>Total</b>	<b>\$7,400</b>	<b>\$0</b>	<b>\$15,707</b>	<b>\$5,665</b>	<b>\$8,800</b>	<b>\$14,046</b>	<b>\$104,400</b>	<b>\$6,486</b>

1/ Dollars in thousands.

2/ Figures represent General Fund amounts only.

3/ Figures from Budget with exception of 2015-16 General Fund ICF FFP at Risk

4/ Estimate for BY 2015-16 ICF FFP at Risk based on expenditures from FY 2014-15, population as of March 31, 2015, and allocation statistics from FY 2013-14.

5/ Associated PIP funding received in one fiscal year will be treated as base budget funding in future years.

6/Through February 2015, additional GF backfill will be identified in the May Revision.

**United States Department of Justice (USDOJ) Actions Pending:** According to the Governor's budget, the following two issues are pending and may have future fiscal impacts:

- DDS received notification from the USDOJ in March 2014 of a civil investigative demand to determine whether a violation had occurred at SDC relative to the Medicare and Medicaid Program. DDS is reviewing this request and has contracted with outside counsel to determine the appropriate response.

- Over a period of more than eight years, the USDOJ has conducted investigations of Sonoma and Lanterman developmental centers and has issued findings pursuant to the Civil Rights for Institutionalized Persons Act (CRIPA). According to DDS, the USDOJ may pursue resolution of these findings in the future, potentially resulting in GF costs.

**LAO Recommendation:** The LAO's analysis of the Governor's January budget requests that the Administration be required to report at budget hearings on their long-term plan for Fairview and Sonoma developmental centers. Specifically, the LAO writes:

*"In its plan for the long-term future of DCs, the Task Force on the Future of DCs convened by the administration recognized the need to maintain state-operated facilities for individuals in acute crisis or involved in the criminal justice system. We agree with the task force on the need to maintain state-operated facilities for individuals involved in the criminal justice system and find that Porterville DC should continue to operate for this purpose. However, we find significant fiscal and policy justification for closing Fairview and Sonoma DCs and seeking to transition all residents in these facilities to community settings. On a fiscal basis, we find that providing services and supports to former DC residents in community settings is cost-effective. On policy grounds, the provision of services and supports in integrated community settings is consistent with federal and state policy. We therefore come to the conclusion that DDS should close both Fairview and Sonoma DCs within ten years. We would defer to the department's judgment as to which DC should be closed first. We recognize that DDS may not be in a position to submit a closure plan for Fairview or Sonoma DC to the Legislature by April 1, 2015, as required under existing state law in order to begin closure activities in 2015-16. We therefore recommend that the Legislature require DDS to report at budget hearings on its long-term plan for Fairview and Sonoma DCs. Upon considering the department's testimony at budget hearings, the Legislature may seek to enact legislation providing a closure timeline for Fairview and Sonoma DCs.*

*Questions for HHSA:*

- *Please describe the status of discussions with CMS, relative to the certification of developmental centers and federal funding participation.*

*Questions for DDS:*

- *Please describe the activities and associated costs relative to implementation of PIPs, and other efforts to regain or maintain certification at developmental centers.*
- *Please discuss the nature of the investigations being conducted by the USDOJ.*

*Question for LAO:*

- *Please present your recommendation.*

*Questions for Community Panelists:*

- *Please provide your perspective on this issue.*

**Staff Comments and Recommendation:** This discussion is presented as an oversight issue. No action is required.

### **ISSUE 3: NEW INITIATIVES FUNDED IN THE 2014 BUDGET ACT – OVERSIGHT ISSUE**

Related to the recommendations made in the Health and Human Services Agency's "*Plan for the Future of Developmental Centers in California*," the Administration proposed, and the Legislature approved, the following new initiatives:

- Approved \$3.2 million (\$2 million GF), and trailer bill language, to establish two acute crisis centers at Fairview and Sonoma developmental centers. Each acute crisis center will serve up to five individuals. **This issue is discussed later in this agenda.**
- Approved trailer bill language to expand the community state staff program, previously limited to persons moving from Agnews and Lanterman developmental centers, to support individuals transitioning from a developmental center to the community and to prevent the unnecessary institutionalization and hospitalization of persons with developmental disabilities. **This issue is discussed later in this agenda.**
- Approved \$5.4 million (GF) and trailer bill language for a pilot program to develop up to six enhanced behavioral support homes each year. These homes will be certified by DDS and licensed by the Department of Social Services (DSS).
- Approved \$3.9 million (GF) and trailer bill language to develop two community crisis homes for individuals at risk of admission to a developmental center or other restrictive setting. The homes, one in northern California and one in southern California, will be certified by DDS and licensed by DSS.
- Approved \$1.5 million (GF) to develop two transitional homes, and \$900,000 (GF), to develop an adult residential facility for persons with special health care needs (ARFPSHN) that includes behavioral supports, to serve persons moving from a developmental center. These models currently exist and do not require additional statutory authority.
- Approved \$1.2 million (\$1.1 million GF) to increase regional center staffing to support resource development, quality assurance, support for specialized behavioral and medical care homes, and enhanced case management.
- Approved the re-appropriation of \$13 million (GF), a portion of which is unspent community placement plan funds, to be used to implement selected recommendations made in the Health and Human Services Agency's "*Plan for the Future of Developmental Centers in California*".

**Affordable Housing Model at Fairview Developmental Center:** As discussed earlier, one of the six recommendations made in the Secretary's *Future of Developmental Centers* report is that the state *should enter into public/private partnerships to provide integrated community services on existing State lands, where appropriate*. Such a project was established in 1985 with the opening of Harbor Village on the grounds of the Fairview Developmental Center (FDC). This housing development was a partnership of the state, City of Costa Mesa, the local regional center and a private developer. Its 564 apartments house persons with and without developmental disabilities.

In 2008, the Department of General Services (DGS) issued a request for proposals (RFP) for a second housing development on the FDC grounds, called Shannon's Mountain. The project moved forward, albeit at a slow pace, but in 2013 the project halted due to new concerns raised by DGS. Efforts to resolve these new issues were unsuccessful and the project has languished since 2013. Earlier this year, legislative staff met with representatives of DDS, DGS, the Health and Human Services Agency and the Government Operations Agency. At that time, staff was advised that productive discussions were occurring and that the Administration was hopeful the project would move forward.

*Questions for DDS:*

- *Please provide a brief update on the status of the above initiatives, excluding those that will be discussed later in the agenda.*
- *Please provide an update on the Shannon's Mountain project at Fairview Developmental Center.*

**Staff Comment and Recommendation:** This issue is provided for oversight purposes. No action is required.

<b>ISSUE 4: CLOSURE OF LANTERMAN DEVELOPMENTAL CENTER – OVERSIGHT ISSUE</b>
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**Background:** In December, 2014, the last resident of Lanterman Developmental Center moved to the community. This marked the end of a closure process that was approved by the Legislature as a part of the Budget Act of 2010. The LDC closure plan borrowed heavily from the process employed to close Agnews Developmental Center (ADC), including the use of Adult Residential Facilities for Persons with Special Health Care Needs (ARFPSHN); improved health care through managed care plans for persons transitioning from LDC to the community; implementation of a temporary outpatient clinic at LDC to ensure continuity of medical care and services as individuals transfer to new health care providers; and the use of LDC staff to provide services in the community to former LDC residents.

The following chart describes the type of community placements that have occurred for 358 LDC movers:

<b>LDC Placement Information</b>	<b>Dec. 23 2014***</b>
<b>Total Placements</b>	<b>358**</b>
CCF (L4i, 113's, RCFE's)	255
CCF – ARFPSHN	65
ICF – DD N	9
ICF – DD H	7
SLS	7
Family Home/Other	3
Congregate Living Health Facility	2
Family Teaching Homes (FTH)	3

\*\* Includes 7 individuals in long-term subacute for over a year, now considered transitioned.

\*\*\*Date last resident moved from LDC

The following chart shows the final status of employee separation from LDC.

Transfer	552
Retirement	342
Resignation	95
Limited-Term Expired	38
Layoff	241
Other <sup>3</sup>	40

First utilized in the closure of Agnews Developmental Center (ADC), a component of the LDC closure process was the Community State Staff (CSS) Program. As initially approved in SB 853 (Committee on Budget and Fiscal Review), Chapter 717, Statutes of 2010, this program authorized LDC employees to work in the community with former LDC residents, through a contract with a regional center or direct service provider, while remaining state employees for up to two years following the closure of LDC. AB 89 (Committee on Budget), Chapter 25, Statutes of 2013, removed the two-year limitation. SB 856 (Committee on Budget and Fiscal Review), Chapter 30, Statutes of 2014, expanded the program statewide, for use in supporting persons transitioning from a developmental center to the community or to prevent the unnecessary institutionalization and hospitalization of persons with developmental disabilities.

A total of 123 ADC employees were hired into a community program through the community state staff program, while only 17 LDC employees have utilized this program. No other contracts for employees from the other developmental centers have been established for a community program since the CSS program was expanded last year, pending finalization of discussion with the associated bargaining units.

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<sup>3</sup> Dismissal, death, etc.

**LDC Outpatient Clinic:** SB 853 (Committee on Budget and Fiscal Review), Chapter 717, Statutes of 2010, authorized the operation of an outpatient clinic at LDC to provide health and dental services to individuals who move from LDC, in order to ensure the continuity of medical care as these individuals transfer to new health care providers in the community. This clinic will operate until DDS is no longer responsible for the property. The following chart<sup>4</sup> shows the total services received at the LDC Outpatient Clinic.

SERVICE TYPE	2011*	2012	2013	2014	2015 (thru Feb.)	Total	Services Provided in 2014 & 2015 6+ Months After Placement
Attending Physician	0	2	0	0	1	3	
Dental	3	30	50	87	27	197	3
Dermatology	0	6	21	5	0	32	
Lab Work	0	0	2	1	0	3	
Neurology	0	4	2	8	5	19	
Occupational Therapy	1	2	2	18	32	55	
Ophthalmology	0	2	2	7	0	11	
Other	0	0	6	51	16	73	3
Orthopedic	0	1	5	0	0	6	
Physical Therapy	0	0	1	0	0	1	
PM&R	0	1	4	47	8	60	
Podiatry	0	9	18	37	10	74	
Psychiatry	0	9	6	10	3	28	2
Psychology	0	0	0	0	0	0	
Rehab. Engineering	0	12	21	19	8	60	3
X-Ray	0	0	1	5	0	6	
Total Outpatient Services Received	4	78	141	295	110	628	11

\*Outpatient Clinic Opened 11/2011

**LDC Property:** The Governor's budget assumes that DDS will be in possession of the LDC property until June 30, 2015. The Governor's budget assumes the LDC property will transfer to the California State University System on July 1, 2015, at which time DDS would no longer have

<sup>4</sup> DDS, March 11, 2014

responsibility for maintaining the property in warm shutdown and would no longer be statutorily required to operate the outpatient clinic.

Among other recommendations, Secretary Dooley's report on *The Future of Developmental Centers*, recommends that the state enter into public/private partnerships to provide integrated community services on existing state lands, where appropriate; and, consider repurposing existing buildings on DC property for developing various service models. This recommendation reflects the position of many advocates that lands, previously dedicated to the benefit of persons with developmental disabilities, should continue to benefit this population through post-closure utilizations or through dedication of sale proceeds. Despite this recommendation, the budget proposes no benefit to the broader developmental disabilities community relative to the disposition of the LDC land.

**Governor's Budget Requests:** The Governor's budget makes the following request related to the closure of LDC.

1. 13.0 positions for the post-closure period in the budget year, and beyond, for transitioning of consumers into the community. Specifically, the budget requests:
  - (a) Retain six positions to extend the Regional Resource Development Projects (RRDP) to ensure LDC movers have successfully transitioned to the community. The positions would include one community program specialist IV; two community program specialists II; two community program specialists I; and, one office technician.
  - (b) Retain two positions, now housed at FDC, for the administration of the CSS program. The positions would include a program director and one personnel specialist I, at a cost of \$283,000 (\$219,000 GF).
  - (c) Extend the program reauthorization of five positions at headquarters, including a CEA Level A, research program specialist, research program analyst II, associate information systems analyst, and an associate personnel analyst, at a cost of \$591,000 (\$459,000 GF).
2. \$17.3 million (\$9.1 million GF) to pursue settlement of open workers' compensation claims of LDC employees. For one year after the closure of the facility, the state has the possibility of claiming matching funds for these expenditures.



Questions for DDS:

- *What options were considered, relative to the disposition of the LDC land that would have benefited the broader developmental disabilities community?*
- *Describe the activities and function of the various staff under your proposal as it relates to the ongoing work associated with the CSS program for former Agnews and Lanterman developmental center staff, and as the statewide CSS program is implemented.*
- *Why has the utilization of the community state staff program differed in the closure of Agnews Developmental Center versus the closure of LDC?*
- *Discuss the timeline for implementing the community state staff program statewide. What efforts are being made to improve participation?*
- *Discuss how the proposal related to the settlement of workers' compensation claims differs from past practices?*

**Staff Comments and Recommendations:** Approve \$17.3 million (\$9.1 million GF) to pursue settlement of open workers' compensation claims of LDC employees. Hold other items open pending May Revision.

<b>ISSUE 5: EMPLOYEE COMPENSATION AND OTHER BASELINE ADJUSTMENTS – BUDGET REQUEST</b>
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**Background:** Control Section 3.60 sets forth the state's retirement contributions for its employees for the 2015-16 fiscal year. Collective bargaining agreements between the state and state employee bargaining units establish compensation rates for employees and are reflected in memoranda-of-understanding (MOUs) approved by the Legislature.

**Budget Request:** The Governor's budget requests \$6.8 million (\$4.1 million GF), in the current year; and, \$6.8 million (\$4.1 million GF) in the budget year, to reflect updated employer retirement contribution rates. The budget requests \$6.5 million (\$3.9 million GF) in the current year; and, \$6.4 million (\$3.8 million GF) in the budget year for salary increases for DDS employees approved through the collective bargaining process. The budget also requests a decrease of \$.04 million in Lottery Education Funds and a \$0.3 million increase for rental payments on lease-revenue bonds.

*Questions for DDS:*

- *Please briefly describe your request.*

**Staff Comments and Recommendations:** No issues have been raised about this request. Staff recommends approval.

## **ISSUE 6: STAFFING ADJUSTMENTS FOR ACUTE CRISIS UNITS – BUDGET REQUEST**

**Background:** As discussed above, the 2014 budget included \$3.2 million (\$2 million GF), and trailer bill language, to establish two acute crisis centers at Fairview and Sonoma developmental centers. Each acute crisis center will house up to five individuals at a time. The budget assumed federal funding participation for these units.

**Budget Request:** The Governor’s budget requests \$0.2 million (\$0.1 million GF) and 3.5 positions (net increases) associated with level of care (LOC) staffing adjustments for these units, and \$0.3 million (\$0.2 million GF) and 4.5 positions associated with non-level of care (NLOC) staffing adjustments, in the current year.

*Questions for DDS:*

- *Please describe the status and staffing of each crisis unit, and the process for admittance to a crisis unit. How does this compare to the community crisis homes approved in last year’s budget?*
- *Is the SDC crisis unit currently certified and receiving federal funding?*
- *If the Administration is unsuccessful in recertifying ICF units at SDC, will the crisis unit also lose its certification?*

**Staff Comments and Recommendations:** Should federal funding participation be lost at Sonoma or Fairview developmental centers, these units may become solely reliant on general fund. Hold open pending the May Revision.

## **ISSUE 7: EXPANSION OF SECURE TREATMENT PROGRAM (STP) AT PORTERVILLE DEVELOPMENTAL CENTER – BUDGET REQUEST**

**Background:** Porterville Developmental Center (PDC) currently serves 169 residents<sup>5</sup> in the Secure Treatment Program. The program is statutorily limited to 230 beds, consisting of 170 beds in the secure area and 60 beds available as transition beds in the general treatment area. These individuals have been judicially committed as incompetent to stand trial (IST). Although some of these individuals may be Medi-Cal eligible, DDS does not receive federal matching funds for the STP population due to lack of federal certification because of the “correctional-type” of setting in which services are provided. As a result, the STP is 100 percent GF supported.

As of January 7, 2015, there are an estimated 52 individuals who have been issued court orders to receive competency training and are currently in jail or prison, pending space becoming available in the STP. According to DDS, superior courts have begun issuing “orders to show

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<sup>5</sup> Based on the April 29, 2015 census.

cause” to DDS, requiring legal counsel to appear in court. All individuals admitted to the STP, or awaiting admittance, have been charged with a violent and/or sexual offense and all have been determined to be incompetent to stand trial (IST). Admittance in the STP is for the purpose of restoration of competency or a clinical determination that competency cannot be restored.

The following chart shows how the number served in this program has varied over the last 10 years.

<b>YEAR<sup>1</sup></b>	<b>NUMBER SERVED</b>
<b>6/30/2004</b>	<b>292</b>
<b>6/30/2005</b>	<b>295</b>
<b>6/30/2006</b>	<b>295</b>
<b>6/30/2007</b>	<b>287</b>
<b>6/30/2008</b>	<b>285</b>
<b>6/30/2009</b>	<b>277</b>
<b>6/30/2010</b>	<b>261</b>
<b>6/30/2011</b>	<b>264</b>
<b>6/30/2012</b>	<b>193</b>
<b>6/30/2013</b>	<b>168</b>
<b>6/30/2014</b>	<b>168</b>

<sup>1</sup>Year-end census

**Other options to STP:** While the need for providing IST services in a secure environment is increasing, it is not clear that a large institutional setting is the best option. In the state mental health system, greater efforts are being made to provide treatment in a community setting. However, for the developmental disability system, statutory barriers exist to such options. For example, the recently approved delayed-egress community home model could serve this population if a secured perimeter were added. However, state statute requires that delayed-egress homes utilizing secured perimeters be eligible for federal funding participation and CMS will not provide funding for secured perimeter homes as they consider it to be an institutional-type facility. Additionally, state law was amended in recent years to allow IST services be

provided to persons with mental illness in county jails, but a similar allowance for persons with developmental disabilities in county jails was not made.

**Budget Request:** The Governor's budget requests \$9.0 million GF and 92.3 positions in the current year; and, \$18.0 million GF and 184.5 positions in the budget year, related to the proposed expansion of the STP by 32 beds.

*Questions for DDS:*

- *Outside of requiring DDS legal counsel to appear in court, has the court indicated it may take any other action relative to delays in placements?*
- *Briefly describe the activities undertaken to restore competency and how this program was designed. What is the average stay of residents in the STP? What percentage of residents have competency restored and are able to stand trial for their offense? What happens to residents when it is determined that competency cannot be restored?*
- *Discuss population trends for the STP.*
- *How has the department addressed the needs of this population in a setting other than a developmental center?*
- *What efforts have been undertaken to engage the Judicial Council, regional centers and other stakeholders to identify better treatment environments and early intervention strategies?*
- *Describe the challenges in utilizing delay egress, and/or secure perimeter community facilities for this population.*

**Staff Comments and Recommendation:** Hold open pending the May Revision.

<b>ISSUE 8: SONOMA DEVELOPMENTAL CENTER (SDC) GENERAL FUND (GF) BACKFILL FOR LOST FEDERAL FUNDING – BUDGET REQUEST</b>
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**Background:** As discussed above, four of eleven ICF units at SDC have been decertified since January of 2013, foregoing federal matching funds and relying solely on the GF for their operations. Since that time, the Administration has requested, and the Legislature has approved, GF augmentations to fund enhanced services, enriched staffing, and other improvements intended to bring these, and other ICF units, into compliance in order to regain, or maintain, certification and restore federal funding participation. Nonetheless, certification has not been restored for these four units; and, the remaining ICF units at SDC, as well as the ICF units at Fairview and Porterville (non STP) developmental centers, have since failed certification surveys, pending appeal.

**Budget Request:** The Governor's budget requests \$8.8 million GF to offset lost federal funding for the four decertified units at SDC for the first eight months of the current year (the 2014-15 budget assumed these units would be recertified as of July 1, 2014).

*Questions for DDS:*

- *What is the GF impact, to date, of lost federal funding at Sonoma? What will be the annualized cost if federal funding is lost for all ICF units at SDC, and separately for the new crisis unit at SDC? What is the annualized cost if federal funding is lost at Fairview DC and in the general treatment program at Porterville DC?*

**Staff Comments and Recommendations:** The Governor's budget assumes recertification would occur at the end of February 2015, and that all ICF units would be certified for the entirety of the 2015-16 fiscal year. However, as noted before, currently all the ICF units at the state DC's are at risk of losing certification and the Administration is engaged in discussions with CMS related to this issue. Hold open pending the May Revision.

## ISSUE 9: PROGRAM IMPROVEMENT PLANS – BUDGET REQUEST

**Background:** As previously discussed, significant GF resources have been invested in the Administration's efforts to make the improvements necessary to regain, or maintain, certification of the ICF units at SDC and the other developmental centers. The scope and nature of these improvements are determined through a program improvement plan (PIP) that DDS has entered into with the state Department of Public Health (see chart on page 10 for PIP-related costs). Prior to implementation of the PIP, DDS was required to contract with independent consultants to develop a root-cause analysis and the PIP. These consultants have also provided on-going consultation and monitoring as the PIPs are implemented, and assist DDS in preparing for recertification surveys.

The chart below shows these contract costs.

	FY 2012-13	FY 2013-14	FY 2014-15
DelMarva	\$219,141	\$2,082,202	\$894,212
H&W	\$216,521	\$450,000	\$450,000

1/ Whole dollars, General Fund only.

2/ The above DelMarva amounts are a subset of the PIP totals provided on Page 10, General Fund Costs, and not in addition.

3/ The above H&W, also known as Hayes & Wiesel Independent Solutions, amounts were not included in the PIP totals provided on Page 10. The contract was funded within the Base Budget.

**Budget Request:** The Governor's budget requests an \$11.9 million (\$7.5 million GF) and an increase of 119.7 positions, to cover eight months of costs to implement two PIPs at the Fairview and Porterville developmental centers that were entered into with the state Department of Public Health on January 15, 2015. In the budget year, the Administration requests \$12.2 million (\$6.5 million GF) and 179.5 positions for the full year costs of these PIPs.

*Questions for DDS:*

- *What are the costs, to date, for these enhancements? What are the annualized costs?*
- *Why have these efforts been unsuccessful in regaining certification?*
- *DDS contracted with the Delmarva Foundation, an independent consultative review expert, to develop a root cause document; and to develop and monitor the implementation of a program improvement plan at each developmental center. Given that these efforts have not been successful, why does DDS continue to use this contractor?*

**Staff Comments and Recommendations:** As the nature and outcome of the discussions between the Administration and CMS is currently unknown, hold open pending the May Revision.

#### **ISSUE 10: STAFFING ADJUSTMENTS RELATED TO POPULATION – BUDGET REQUEST**

**Background:** In the January and May budget documents, the Administration updates the population estimates for the developmental center, which drives staffing needs at these facilities.

**Budget Request:** The Governor's budget requests a decrease of \$12 million (\$6.6 million GF) and a reduction of 149.4 positions due to an anticipated population decline of 134 residents.

*Questions for DDS:*

- *Please briefly describe these adjustments.*

**Staff Comments and Recommendation:** As this estimate will likely be updated in the May Revision, hold open at this time.

#### **ISSUE 11: SONOMA CREEK PUMP STATION – BUDGET REQUEST**

**Background:** SDC's only source of water comes from two local lakes that are fed primarily by seasonal diversion from three nearby creeks. Water is pumped to, or fed by gravity ditches from, the creeks to the lakes. SDC's on-site water treatment facility can be fed from either lake. The water is treated prior to distribution and potable use for SDC facilities and fire protection purposes. Water diversions from the creeks are monitored by water meters installed at their

intake structures and reported annually to the State Water Resources Control Board (SWRCB). SDC diverts water pursuant to two SWRCB-issued water diversion licenses issued in the 1930s.

The existing Sonoma Creek Pump Station intake structure has been damaged by large storm floods over an extended period and this damage, combined with the recent chronic low flows associated with the drought, has not allowed SCD to fully utilize the pump station equipment at maximum capacity. Existing law requires water diverters make full and beneficial use of allocated water and water volumes not utilized for a period of five years or more could be subject to forfeiture. As the water rights attached to the existing licenses can be transferred to a new owner, the loss of these water rights could substantially impact the value of this state land.

**Budget Request:** The Governor's budget requests \$1.6 million GF (\$900,600 for preliminary plans; \$695,500 for working drawings) for Phase 1 of a project to replace the Sonoma Creek Pump Station Intake System located at SDC.

*Questions for DDS:*

- *If SDC were to close in the next few years, would funding this project still be prudent?*

**Staff Comments and Recommendations:** The Department of General Services estimates that \$2 million GF will be needed for the construction portion (Phase 2) of this project. Staff recommends this issue be held open pending May Revision.

#### **ISSUE 12: FIRE ALARM SYSTEM UPGRADE AT PORTERVILLE DEVELOPMENTAL CENTER - CAPITAL OUTLAY PROJECT – BUDGET REQUEST**

**Background:** According to DDS, the existing fire alarm system is comprised of subsystems of varying ages, all of which are outdated and well beyond useful life. The system is not integrated and there are gaps in coverage and functionality, and the older systems do not meet current fire codes. According to DDS, the existing systems fail at an unacceptable rate, and the majority of alarm triggers are the result of false alarms caused by system malfunctions.

**Budget Request:** \$0.8 million GF, through the Capital Outlay process, to prepare preliminary plans (\$309,000 ) and working drawings (\$493,000 ) for a high priority fire, life, and safety project at the Porterville DC (Phases 1 & 2).

*Questions for DDS:*

- *If the non-secure portion of PDC were to be closed in the next few years, would this project be prudent?*

**Staff Comments and Recommendation:** According to the Department of General Services, Phase 3 of the project, construction, would cost an estimated \$7.2 million GF and will be requested for the 2016-17 fiscal year. The total project cost, over two years, is estimated at \$8.0 million GF. Staff recommends this issue be held open pending May Revision.

### ISSUE 13: DEFERRED MAINTENANCE PROJECTS – BUDGET REQUEST

**Background:** According to the Governor's Five-Year Infrastructure Plan, DDS estimates the currently identified deferred maintenance projects at the developmental centers would cost approximately \$386.7 million GF to complete. This does not include ongoing repair projects, or other projects that DDS absorbs within its discretionary developmental center funds, such as the work already completed to prepare for the expansion of the STP at Porterville Developmental Center.

**Budget Request:** Control Section 6.10 of the Governor's budget proposes that the Department of Finance (DOF) may allocate \$125 million GF to various state departments to address a portion of deferred maintenance needs, including \$7.0 million GF to DDS. DOF must provide their approved list of projects to be funded through the authority granted in this Control Section to the Joint Legislative Budget Committee (JLBC) 30 days prior to the allocation of these funds. Additionally, any change to the list must be approved by DOF, subject to a 30 day review by the JLBC. Note that proposed Control Section 6.10 is being considered in Senate Budget Subcommittee No. 4 on State Administration and General Government.

On April 29, 2015, the Legislature was supplied with an initial list of projects proposed for funding pursuant to Control Section 6.10. For DDS, the following projects at Porterville DC were included:

- Repair of groundwater wells for an estimated \$225,000.
- Replacement or retrofit of existing boilers for an estimated \$5,410,000.
- Security camera upgrade in the STP for an estimated \$400,000.
- Re-key the entire facility to a master/submaster key schedule for an estimated \$750,000.

#### *Questions for DDS:*

- *Briefly describe the importance of each project.*
- *If Porterville DC were to close in the next few years, would all of these projects still be prudent?*

**Staff Comments and Recommendation:** The replacement or retrofitting of the existing boilers at Porterville DC was proposed last year and rejected by the Legislature. Following the release of the May Revision, the subcommittee may wish make recommendations to Senate Budget Subcommittee No. 4 on the projects proposed by DDS for funding through Control Section 6.10.



## 0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

### ISSUE 1: OFFICE OF LAW ENFORCEMENT SUPPORT – SPRING FINANCE LETTER

**Governor’s Proposal:** The Administration requests \$1,965,000 GF, \$600,000 one-time reimbursement authority, and 15.0 permanent positions to establish a Professional Standards Section and a Vertical Advocate Unit within the Office of Law Enforcement Support (OLES), and reimbursable services contracts for subject matter expertise.

**Law Enforcement Activities within DDS:** The Department of Developmental Services (DDS) conducts law enforcement activities at state developmental centers through their Office of Protective Services (OPS). OPS is housed within the Development Centers Division of DDS and includes 13 staff positions consisting of a chief, supervising special investigators, investigators and non-sworn support staff. Additionally, individual OPS commanders are assigned to each developmental center and manage law enforcement operations at the facilities. Although these facility commanders work closely with the facility executive director, they take direction and report to the OPS chief at headquarters.

**History of Health and Safety Problems:** Like other large state institutions, developmental centers have a long history of problems related to alleged abuse, neglect and mistreatment of its residents. According to a report by the CHHSA, discussed in more detail below, the “...past failures of OPS have resulted in intense media attention, increased legislative scrutiny, and a loss of federal funding.” The CHHSA cites two critical state agency reports, published more than a decade apart, to illustrate the ongoing problems with safety and security at developmental centers – the 2002 report of the California Attorney General’s Office entitled, “Policing in the Department of Developmental Services, A Review of the Organization and Operations 2000-2001” and the 2013 report of the California State Auditor entitled, “Developmental Centers: Poor-Quality Investigations, Outdated Policies, Leadership and Staffing Problems, and Untimely Licensing Reviews Put Residents at Risk.”

**Center for Investigative Reporting (CIR):** On April 7, 2015, the Center for Investigative Reporting (CIR) published a report asserting that “abuse, neglect and lack of supervision at California’s state-run homes for the developmentally disabled have directly caused the deaths of 13 people since 2002, newly released records from the state Department of Public Health show.” According to this report, “The developmental centers ... bear some responsibility for the deaths of another six residents because they allowed living situations so dangerous that there was a great probability that deaths would occur.” The CIR report is based on a review of citations issued by the state Department of Public Health against DDS.

**Administration’s 2014 Budget Proposal:** During last year’s budget process, the Administration proposed to establish an Office of Investigations and Law Enforcement within the Health and Human Services Agency (CHHSA). Specifically, the Administration requested \$1,175,000 GF to establish nine permanent positions for the proposed office. Under the proposal, the office

would oversee and support law enforcement and investigative services for DDS and the Department of State Hospitals (DSH), including implementation of new internal affairs activities, oversight and quality control of investigations, and standardization of law enforcement policies and procedures. Additionally, the Administration requested \$600,000 in increased reimbursement authority to contract with the California Highway Patrol (CHP) to provide subject-matter expertise and technical and operational assistance to the office through an interagency agreement.

Ultimately, the 2014 budget included \$787,000 GF and six permanent positions, and \$600,000 in one-time reimbursement authority for the contract with the CHP, for the establishment of the Office of Law Enforcement Support within CHHSA to provide uniform training, policies, and protocols for the peace officers employed by the state hospitals and developmental centers. In addition, the 2014 budget included \$600,000 in one-time reimbursements for a contract with the CHP. Approved trailer bill language requires CHHSA to work with system stakeholders to improve the quality and stability of law enforcement practices and the development of uniform procedures; and requires the agency to report to the Legislature on the new procedures by July 1, 2015.

**CHHSA Report:** The aforementioned report was submitted to the Legislature on March 6, 2015. The report makes a number of recommendations to improve law enforcement functions within DDS and DSH in the following areas:

- Standardized policy development.
- Standardized testing, hiring, background investigations, and intra-departmental transfer practices.
- Standardized training plan; development and monitoring.
- Use-of-Force reporting; development and monitoring.
- Early intervention system; development and monitoring.
- Employee discipline and professional standards accountability.
- Criminal and administrative investigation monitoring, review, and auditing.

**New Administration Proposal:** On April 1, 2015, the Administration submitted a new proposal to expand the Office of Law Enforcement Support (OLES) within the Health and Human Services Agency. Specifically, the Administration requests an increase of \$1.96 million General Fund, \$600,000 one-time reimbursement authority, and 15 permanent positions to establish a professional standards section and a vertical advocate unit within OLES, and reimbursable services contracts for subject-matter expertise.

Specifically, the Agency requests nine permanent investigative unit positions, four attorney positions, and two support positions. According to the finance letter, these positions will enable CHHSA to “directly conduct independent investigations of serious incidents which occur at the state hospitals and developmental centers, such as suicides, deaths, sexual assaults, etc. In addition, as part of each investigation, the OLES team will thoroughly review DSH and DDS internal administrative investigations, identify and correct errors and gaps in policy and procedures, and assign independent legal staff to engage in the entire investigation and/or employee disciplinary processes through appeal. OLES also intends to contract for a lieutenant

and sergeant from the CHP and one senior assistant inspector general from the Office of the Inspector General (OIG) with extensive experience in internal affairs and criminal investigations.

**Shared Jurisdiction with Senate Budget Subcommittee No. 5:** This issue relates to both the Department of Developmental Services and the Department of State Hospitals (DSH). Senate Budget Subcommittee No. 5 on Corrections, Public Safety, and the Judiciary oversees the DSH budget and heard this issue on March 19, 2015. The subcommittee took no action but directed the Legislative Analyst's Office to work with budget staff to develop the necessary language for expanding the authority of the Office of the Inspector General to include state hospitals and psychiatric programs.

**LAO:** As of the time of this writing, the LAO has not made a recommendation on this proposal. However, they have indicated that a recommendation is forthcoming.

***Questions for HHSA:***

- *Please describe your proposal, the function of the current office and the function of the proposed professional standards section and the vertical advocate unit.*
- *What stakeholders did HHSA work with in the development of the recommendations made in your March 6<sup>th</sup> report?*
- *How might this proposal change as developmental centers downsize or close?*

***Questions for LAO:***

- *Please present your recommendation.*

**Staff Comments and Recommendation:** Hold open pending the May Revision. Direct subcommittee staff, LAO and the Administration to work together on a proposal to be present to both subcommittees at the May Revision hearings.